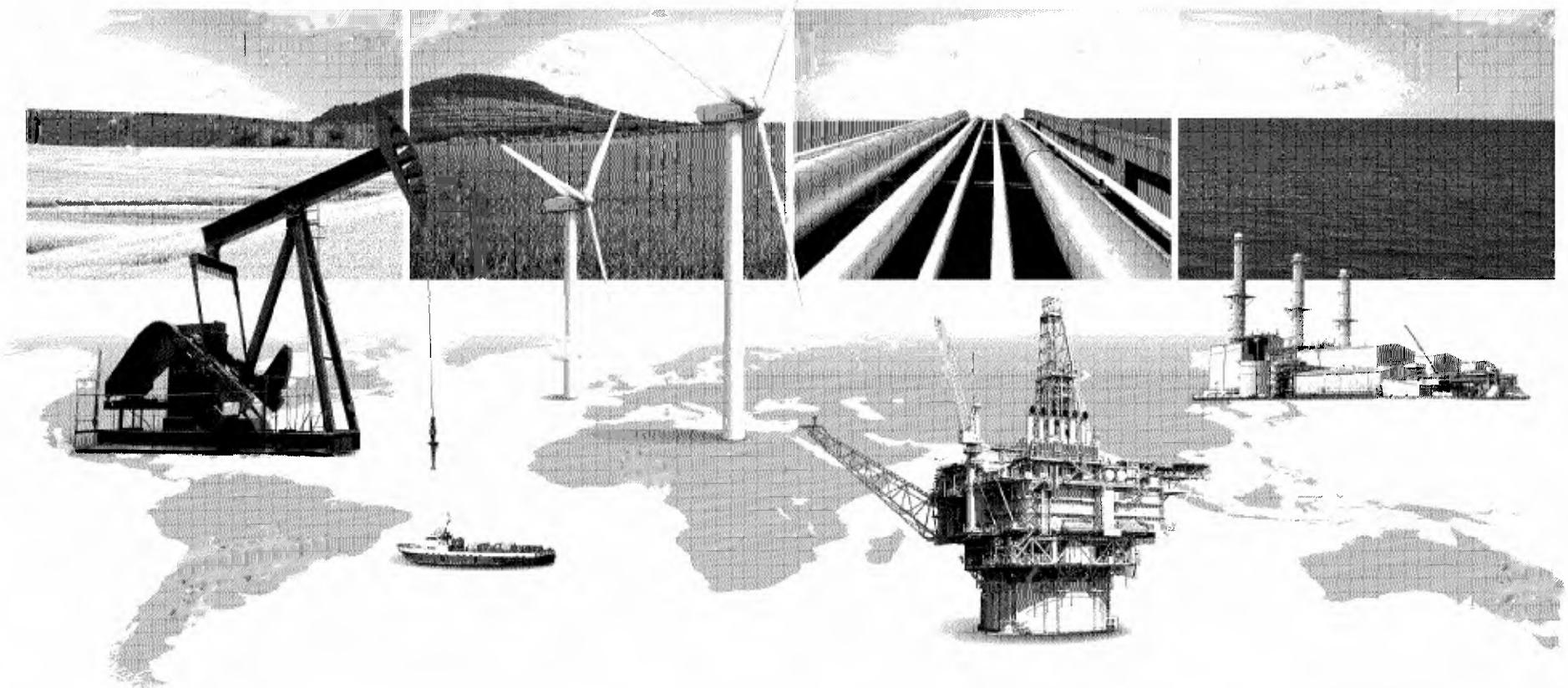


KEPPEL OPP'N EXH. 131

Sete Brasil

February, 2015



CONFIDENTIAL – EIG INTERNAL – NOT FOR REDISTRIBUTION

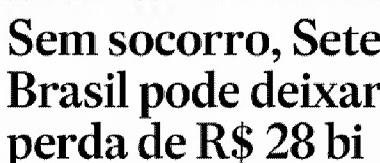
1

EIG_KEP_00266976

CONFIDENTIAL

Sete Brasil

Recent Developments

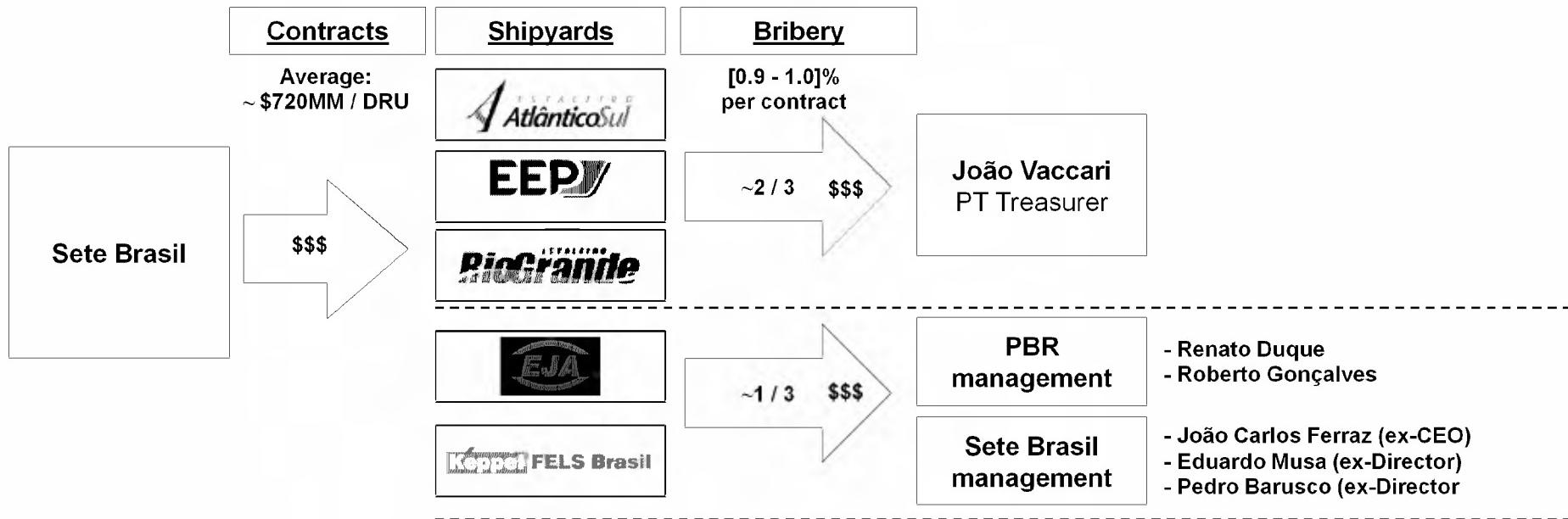
September - October 2014	November - December 2014	January – February 2015
<p>Financial stress still under control. Despite delays in LT financing closing, there were no key issues threatening Sete Brasil</p> <ol style="list-style-type: none"> 1. On October, 2014 management was estimating senior financing disbursement in Dec'14 2. Less favorable financing conditions under discussion, impact in shareholders' IRR started to be discussed with the Company 3. Negotiations with Operators on track and Seadrill willing to substitute Petroserv in 3 DRU's 4. Negotiations with Banco do Brasil for an additional bridge loan to support the company in Nov-2014 payments to shipyards 5. Sete Brasil financial situation start to show up on national newspapers <p>BRASIL petróleo</p>  <p>FALTAM 20 BILHÕES DE REAIS</p> <p>É o maior que a Sete Brasil tem de dinheiro para comprar 29 navios para a Petrobras.</p>	<p>Car Wash operation release and short-term liquidity problems arising. Sete started delaying payments to shipyards</p> <ol style="list-style-type: none"> 1. Seaworthy (Etesco / OAS) operator has exercised its put option in 3 units (under construction in Rio Grande shipyard) 2. On Nov 14th, Federal Police announced the 2nd phase of Car Wash Operation, to investigate corruption scheme involving Petrobras and the largest Brazilian construction companies 3. Due to Car Wash operation release, further actions / documents have been required from Sete Brasil and from shipyards as a condition for closing of senior financing: <ul style="list-style-type: none"> – Specific approval from Advocacia Geral da União supporting the transaction – Extended Legal Opinion regarding Sete bidding processes 4. On Nov 25th, Sete Brasil started to postpone payments to shipyards 5. Sete ended Dec'14 with a capital call reaching 100% of committed capital by shareholders 	<p>Sete Brasil is linked to Car Wash Operation and facing short-term liquidity problems and risks on long-term financing closing</p> <ol style="list-style-type: none"> 1. 2nd week of Jan: PBR has cancelled the extension of 2 rigs from Seadrill, which threatened to cancel contracts with Sete (2 DRU's from 1st batch) 2. Additionally, UKEF did not accept anticorruption declaration from PBR – decreasing in \$200M expected LT financing 3. On the other hand, Citi announced that it is not willing to remain as Sete's agent on the LT financing (Citi currently manages around 350 bank accounts of Sete). Substitution would lead to 5 to 8 months additional delay in LT financing disbursement 4. On Feb 4th, Graça Foster and 5 PBR directors resigned, without signing Sete Brasil contracts 5. On Feb 5th, Pedro Barusco's plea bargain involved Sete former CEO and two directors, exacerbating company's financial problems <p>O ESTADO DE S. PAULO Economia Pág. B5 08/02/2015 1/1</p>  <p>Sem socorro, Sete Brasil pode deixar perda de R\$ 28 bi</p>

CONFIDENTIAL – EIG INTERNAL – NOT FOR REDISTRIBUTION

Sete Brasil

Pedro Barusco's Plea Bargain

1. Pedro Barusco, former director of Sete Brasil and Petrobras, is one of the Petrobras former executives involved in the Car Wash Operation
2. On Nov 20, 2014, Barusco has made a plea bargain, in line with other key participants of the scheme.
3. Barusco's allegations were made public on February 05, 2015, through the most important Brazilian newspapers, and involved Sete Brasil and all contracted shipyards
- 4. Key participants of corruption scheme, according to Barusco's allegations:**
 - Sete Brasil former executives (João Carlos Ferraz, Eduardo Musa and himself)
 - All 5 shipyards contracted by Sete Brasil (Bras Fels, EAS, Enseada, Jurong and Rio Grande)
 - Petrobras executives (Renato Duque and Roberto Gonçalves)
 - João Vaccari - Treasurer of PT ("Workers' Party" – political party of Dilma Rousseff and Luiz Inácio "Lula" da Silva)



CONFIDENTIAL – EIG INTERNAL – NOT FOR REDISTRIBUTION

Sete Brasil

February 2015 key tasks of Sete's management

Shipyards

- Engineering director is currently travelling to Singapore to negotiate with Jurong and Keppel Fels the continuity of DRU's construction
- Key objective is to keep DRU's construction of international shipyards aligned with current schedule

Judicial Actions

- Sete will seek for judicial actions against shipyards and former management in order to recover money related to corruption

Company Restructuring

- Senior management and board members will remain evaluating potential alternatives for financial and operational restructuring

Petrobras / BNDES

- Aligned with BNDES, Sete may start discussions with new Petrobras CEO in order to ensure long term financing closing

Commercial Banks

- Sete will seek for rollover of bridge loans due on Feb 18, 2015

Long-Term Financing

- Sete will maintain negotiations with UKEF and Citi in order to ensure conditions for long term financing

Operators

- Company will remain drafting standard contracts in order to expedite negotiation with operators

External Auditors

- PwC will continue to work closely with Sete to minimize potential impacts in 2014 Financial Statements

Sete Brasil

Potential Developments



- Current cash position of Sete Brasil may support the Company until Apr / May'15
- Although no clear sources of short-term liquidity are available, Company is negotiating with some shipyards the maintenance of current construction schedule and involving Government, PBR and BNDES for the joint-development of a solution for Sete Brasil issues
- Below are presented some potential scenarios under consideration (internal analysis)

Potential Scenarios	Key Developments	# of DRU's and shipyards
“Good”	<ol style="list-style-type: none"> 1. BNDES, PBR, Government and commercial banks support financing needs 2. Additional equity required disbursed by new shareholders 3. New operators would partner with Sete Brasil 4. No JR 	Decrease in number of DRU's and contracted shipyards
“Bad”	 <ol style="list-style-type: none"> 1. Sete files for JR and start development of Judicial Recovery Plan 2. Commercial banks and BNDES will be closely involved in Company's JR plan and may solve main financial issues 3. PBR would use “best efforts” to support the company when evaluating potential claims due to delivery delays 4. Company remains focused on positive NPV DRU's and closes senior financing 	As part of the JR Plan, Sete cancels rigs with negative NPV
[JR ?]	 <ol style="list-style-type: none"> 1. Government / BNDES / Commercial banks supports Sete Brasil with short-term payments to shipyards, however under expensive financing conditions 2. Pension Funds / Government entities inject additional capital required by the Company to fund short-term capex 3. Shareholders' that do not inject additional capital are diluted 4. “Slow death” - ongoing litigations, financial stress and same operational problems currently affecting Sete and shipyards 	Sete remains focused on maintaining all DRU's under construction
“Worst”	 <ol style="list-style-type: none"> 1. Bankruptcy 2. Decrease in 150,000 workforce and at least 3 shipyards closed 3. Sete's assets and claims used to repay current loans and operational payments due since Nov'14 	Potential to cancel all units

CONFIDENTIAL – EIG INTERNAL – NOT FOR REDISTRIBUTION

Sete Brasil

Cooperation Agreement with Petrobras

Topic	Discussion
DRU's protected	<ul style="list-style-type: none"> Only 1st system DRU's
Focus	<ul style="list-style-type: none"> Protect Sete Brasil returns from two specific issues: <ul style="list-style-type: none"> 1 – Worse financing conditions from BNDES and commercial banks 2 – Change orders required / authorized by Petrobras
Daily Rates Compensation	<ul style="list-style-type: none"> As per Cooperation Agreement, any increase / decrease in daily rates to compensate Sete Brasil returns should be implemented only after closing of senior financing
Change Orders	<ul style="list-style-type: none"> Additional capex related to change orders should lead to daily rates increase if required / authorized by Petrobras
Delivery delays / Local Content	<ul style="list-style-type: none"> Penalties related to delivery delays and to disagreement with local content requirements will not allow Sete Brasil to request daily rate adjustments
Petrobras Acknowledgment	<ul style="list-style-type: none"> At this moment, PBR claims that this agreement is not valid In addition: <ul style="list-style-type: none"> 1 – Adjustments to daily rates should be considered only after senior financing closing 2 – João Carlos Ferraz and Pedro Barusco were Sete Brasil executives undersigning this document

CONFIDENTIAL – EIG INTERNAL – NOT FOR REDISTRIBUTION